

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Alexander Post Office
Alexander, Kansas 67513

Docket No. A2012-90

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 23, 2012)

On November 30, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked November 24, 2011, from the City of Alexander (Petitioners) objecting to the discontinuance of the Post Office at Alexander, Kansas.¹ On December 21, 2011, the Commission issued Order No. 1063, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission subsequently received a PRC Form 61 Participant Statement from the Petitioners. In accordance with Order No. 1063, the administrative record was filed with the Commission on December 15, 2011.

The appeal received by the Commission on November 30, 2011, raises three main issues: (1) the effect on postal services, (2) the impact upon the Alexander community, and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact

¹ The Alexander Post Office is not a candidate facility under the Retail Access Optimization Initiative.

² See 39 U.S.C. 404(d)(2)(A).

upon postal employees. Accordingly, the determination to discontinue the Alexander Post Office should be affirmed.

Background

The Final Determination To Close the Alexander, KS Post Office and Establish Rural Route Service (FD) and the administrative record indicate that the Alexander Post Office provides EAS-55 level service to 43 Post Office Box customers, no general delivery customers, and retail customers 31.5 hours per week. FD at 1; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.³ The postmaster of the Alexander Post Office was promoted on November 30, 2009.⁴ A noncareer employee was assigned as the Postmaster Relief in Alexander. She previously served as the officer-in-charge (OIC) of the nearby Brownell Post Office. Upon implementation of the final determination, the noncareer OIC will be offered the opportunity to transfer to her prior position or another at a nearby office.⁵ The average number of daily retail window transactions at the Alexander Post Office is 18. Over the past three years, revenue has declined: \$30,399 in FY 2008; \$23,494 in FY 2009; and \$24,176 in FY 2010.⁶ The Alexander Post Office has no meter and no permit customers.⁷

³ In these comments, specific items in the administrative record are referred to as "Item ____."

⁴ Item No. 18.

⁵ Item No. 15.

⁶ Item No. 18.

⁷ Id.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Bazine Post Office,⁸ an EAS-11 level office located 9 miles away, which has 202 available Post Office Boxes.⁹

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Alexander Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Alexander Post Office. Questionnaires were also available over the counter for retail customers at Alexander.¹⁰ A letter from the Manager of Post Office Operations, Omaha, NE was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Alexander Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Bazine Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.¹¹ The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Alexander Fire

⁸ The Bazine Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

⁹ *Id.*

¹⁰ FD at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Alexander Post Office, at 1.

¹¹ Item No. 21.

Hall for a community meeting on April 14, 2011,¹² to answer questions and provide information to customers.¹³ Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Alexander and the Bazine Post Offices from July 20, 2011 to September 20, 2011.¹⁴ The FD was posted at the same Post Offices starting on October 28, 2011 and ending on November 29, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, declining office revenue,¹⁵ the variety of delivery and retail options (including the convenience of rural delivery),¹⁶ an expected decline in growth in the area,¹⁷ minimal impact upon the community, and the expected financial savings,¹⁸ the Postal Service issued the FD.¹⁹ Regular and effective postal services will continue to be provided to the Alexander community in a cost-effective manner upon implementation of the final determination.²⁰

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

¹² This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

¹³ Item No. 24.

¹⁴ Item No. 32.

¹⁵ Item No. 18.

¹⁶ Item No. 33.

¹⁷ Item No. 16.

¹⁸ Item Nos. 17 and 33.

¹⁹ FD at 6-7.

²⁰ FD at 1.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Alexander Post Office on postal services provided to Alexander customers. The closing is premised upon providing regular and effective postal services to Alexander customers.

The Petitioners, in their letter of appeal, raise the issue of the effect on postal services of the Alexander Post Office's closing, noting that it would be impractical for customers, many of whom are farmers, to wait at their mail boxes to transact business with the rural carrier. The Petitioners express particular concern about their need to send water samples to the State of Kansas within 24 hours, which they believe may not be possible, depending upon the time that the rural carriers services the community. Each of these concerns was considered by the Postal Service.

Some of the customers of the Alexander Post Office are farmers, and like those who are employed outside the home, they cannot schedule their work activities around the rural carrier's expected arrival time. The Postal Service understands this concern, considered it, and addressed it in response to concerns raised in questionnaires and the community meeting.²¹ The Postal Service explained that most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience, and other postal services and how to obtain them are described in the FD. In addition, customers are not restricted to

²¹ Item Nos. 23 and 25.

obtaining services from the carrier upon the closing of the Alexander Post Office; customers are welcome to visit any Postal Service facility or alternate access location within their immediate vicinity to obtain services. Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Bazine Post Office, which is nine miles away. The window service hours of the Bazine Post Office are from 8:00 a.m. to 4:15 p.m., Monday through Friday and 9:30 a.m. to 10:00 a.m. on Saturday.²²

The Petitioners' letter of appeal also raises a concern raised by an Alexander Post Office customer in response to the Postal Service's Customer Questionnaire. The customer reads the city's water well meters and "twice a month and sometimes more than twice," the customer has to mail a water sample to Topeka.²³ The customer is concerned that the city will not pay mileage for her to go to another town to mail the sample, in the event that the rural carrier has already served the Alexander community for that day and that when the weather conditions are poor, she might not be able to get the sample to another town.²⁴ The Postal Service considered this concern and responded that the water samples must be sent within 24 hours, which would be possible with rural carrier service.²⁵

Petitioners also reiterate their concerns for senior citizens and disabled members of their community. The record explains, however, that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have

²² FD at 1.

²³ Item No. 21 (pp.59-62 of the Administrative Record)

²⁴ Id.

²⁵ Item No. 33 at 7.

to travel to the Post Office for service. When packages do not fit in the customer's mail box, the carrier will deliver the package up to one-half mile off the line of travel, at a designated place, such as the customer's porch, or the customer can authorize delivery to a third party. In hardship cases, customers can apply to the Postmaster for delivery to be made to the customer's home.²⁶

The Postal Service has considered the impact of closing the Alexander Post Office upon the provision of postal services to Alexander customers. Rural route delivery to curbside mail boxes provides similar access to retail service, while alleviating the need for customers to travel to the Post Office.²⁷ Thus, the Postal Service properly concluded that all Alexander customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Alexander Community

The Postal Service is obligated to consider the effect of its decision to close the Alexander Post Office upon the Alexander community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office. The Petitioners' letter of appeal and their participant

²⁶Item No. 25. On appeal, Petitioners raise two issues not raised previously in the administrative process. First, they note that some customers get medications by mail. Many Postal Service customers with rural carrier delivery share this practice and find that it is a secure and effective means of obtaining prescription drugs. The Petitioners also note that it would be a hardship to dig post holes for mailboxes in the winter and request implementation of the FD to be delayed until May. The Postal Service notes that it will take the final step of closing a Post Office prior to May 16, 2012, only when that Post Office was not in operation on, and the Final Determination was posted as of, December 12, 2011.

²⁷Item No. 33.

statement both emphasize the close connection the community has to its Post Office, which remains as one of only two local businesses that residents patronize.

Alexander is an incorporated rural community located in Rush County. The Rush County Sheriff's Department provides police protection. The community is administered politically by a mayor and Village Board, with fire protection provided by the Alexander Volunteer Fire Department.²⁸ Two churches are located in the Alexander community.²⁹ The questionnaires completed by Alexander customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Alexander must travel elsewhere for other supplies and services.³⁰

The Petitioners' letter of appeal notes that Alexander is the oldest town in Rush County and that discontinuing service at its Post Office would be a "devastating blow" to the community, because it is one of only two businesses left in Alexander. The Petitioners' participant statement reiterates these concerns and raises another about the community's reliance on the Post Office for a place where notices for special events and news of the town's residents can be posted. The Petitioners' concerns are understandable, because their town has been experiencing a steady decline in businesses and residents, a trend that is expected to continue.³¹ If the FD is implemented, the Midstate Coop will remain as a business in Alexander where notices of events and news about residents could be posted.

²⁸ Item No. 16

²⁹ Item No. 13 at 1A.

³⁰ Item No. 22.

³¹ Item No. 22 at p.109 of the Administrative Record; Item No. 16.

In its mandate to provide a maximum degree of effective and regular postal services to rural communities, the Postal Service, like all the other businesses and the school in Alexander before it, has had to consider whether by consolidating its resources it can continue to provide services while reducing otherwise duplicative costs. In the end, the Postal Service determined that it will be able to provide its customers in Alexander with effective and regular service through rural route carrier delivery.³²

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Alexander Post Office on the community served by the Alexander Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Alexander Post Office and would still provide regular and effective service.³³ The estimated annual savings associated with discontinuing the Alexander Post Office are \$28,104.³⁴

The Petitioners letter of appeal suggests that closing this Post Office would not save enough money for the Postal Service to make a difference in its financial position. While the savings may seem insignificant to the Petitioners, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is exploring all

³² FD at 8.

³³ Item No. 17.

³⁴ FD at 7.

opportunities to operate more efficiently, while maintaining regular and effective service. When allowed to accumulate, drops in the bucket do eventually fill the bucket.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees was also considered. The postmaster retired on "November 30, 2009. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC will be offered an opportunity to transfer to a position at a nearby post office, still as a non-career employee. The record shows that no other employee would be affected by this closing.³⁵ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Alexander Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Alexander Post Office on the provision of postal services and on the Alexander

³⁵ Item No. 15.

community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Alexander customers.³⁶ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Alexander Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Alexander Post Office be affirmed.

Respectfully submitted,

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³⁶ FD at 7.

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